

UNITED STATES BANKRUPTCY COURT
FOR THE EASTERN DISTRICT OF MICHIGAN

In re:

Security Technologies, Inc.,

Debtor.

Case No. 13-52210

Chapter 11

Judge Thomas J. Tucker

**ORDER DISMISSING CASE FOR FAILURE TO FILE REQUIRED DOCUMENT,
WITH A 180-DAY BAR TO REFILING**

The Debtor has failed to file the document required by L.B.R. 1074-1 (E.D. Mich.), commonly referred to as the Statement of Authority to Sign and File Petition. Further, a request for an extension of time has not been timely filed. This document was required to be filed no later than July 3, 2013 (14 days after the petition date), under L.B.R. 1074-1. That rule states:

In a case commenced by a voluntary petition, filed by a corporation, partnership or any other entity other than an individual, the debtor shall file a copy of the duly attested resolution or other appropriate document authorizing the bankruptcy filing. The deadline to file this paper is 14 days after the filing of the petition.

Debtor and Debtor's counsel are required to know of this requirement, and to timely comply with it, just as they are bound to know and comply with all of the Court's local rules and all of the Federal Rules of Bankruptcy Procedure applicable to this case. In addition, the Court notes that the Clerk's notice entitled "Notice of Missing Documents" that was addressed to the Debtor and Debtor's attorney, filed on June 19, 2013 (Docket # 1-1, attached to the petition and other papers filed at Docket # 1) reminded Debtor and Debtor's attorney that this statement, among other required documents, must be filed within 14 days after the petition date, and then stated the following, in bold:

THIS IS THE ONLY NOTICE YOU WILL RECEIVE: If you fail to timely comply with the requirements set forth above, the

case may be dismissed.

For the foregoing reasons, the Court will dismiss this bankruptcy case for cause.

In addition, the Court will bar the Debtor from filing any new bankruptcy case for 180 days. This is the Debtor's second Chapter 11 case. The first Chapter 11 case, No. 13-51232, was filed on June 3, 2013 and was dismissed on June 18, 2013 because the Debtor failed to file numerous required documents with 14 days of the petition date, as required. In its two Chapter 11 cases, the Debtor has demonstrated an inability or unwillingness to fully comply with applicable rules, and in this second case, the Debtor also has failed to comply with an order of this Court, which Order the Debtor agreed to.¹ In each of Debtor's Chapter 11 cases, the Court and the parties, including the creditors BRMC Equities, LLC and PegaSync Technologies, Inc., spent a considerable amount of time and effort on the Debtor's First Day Motions and other matters, including a cash collateral order and related proceedings, before the case was dismissed. And the creditors no doubt incurred substantial attorney fees as a result. All of this now will have been wasted, because both of the Debtor's cases will have been dismissed. Under all of the circumstances, the Court finds and concludes that if the Debtor were permitted to file yet a third Chapter 11 case after the dismissal of this case, it would be an abuse of process within the meaning of 11 U.S.C. § 105(a). In order to prevent such an abuse, and under § 105(a), the Court will bar the Debtor from filing any new bankruptcy case for 180 days, and thereby leave the Debtor to litigate the disputes it has with its primary creditors in an appropriate non-bankruptcy court.

Accordingly,

IT IS ORDERED that:

1. This bankruptcy case is dismissed.

¹ During the lengthy hearing held on July 3, 2013, Debtor's counsel admitted, in substance, that Debtor failed to fully comply with paragraphs 7(f), 7(h), and 7(i) of the agreed interim cash collateral order filed on June 26, 2013 (Docket # 39).

2. The Debtor is barred and enjoined from filing any new bankruptcy case for 180 days after the entry of this Order. Debtor therefore may not file any new bankruptcy case before January 2, 2014.

Signed on July 5, 2013

/s/ Thomas J. Tucker
Thomas J. Tucker
United States Bankruptcy Judge